

Message Text

SECRET

PAGE 01 STATE 131543
ORIGIN SS-25

INFO OCT-01 ISO-00 SSO-00 /026 R

DRAFTED BY EA/TIMBS:DPSULLIVAN:CCH
APPROVED BY P - MR. NEWSOM
EA:RBOAKLEY
AID/ASIA:BDUPUIS
HA:MSCHNEIDER
PM:HMCELROY
NSC:CDODSON
S/S-O:JETHYDEN

-----095981 240508Z /16

P 232319Z MAY 78
FM SECSTATE WASHDC
TO AMEMBASSY JAKARTA PRIORITY

S E C R E T STATE 131543

EXDIS

E.O. 11652: GDS

TAGS: OVIP (MONDALE, WALTER F.), PEPR, MASS, EAID, ID

SUBJECT: VICE PRESIDENT'S TRIP FOLLOW-UP: AMB. ASHARI
CALL ON UNDER SECRETARY

1. AMB. ASHARI CALLED ON UNDER SECRETARY NEWSOM MAY 18
PRIOR PROCEEDING TO AMSTERDAM FOR IGGI MEETING. DAS OAKLEY
ALSO PRESENT. PURPOSE OF CALL, MADE AT ASHARI'S REQUEST,
WAS TO INFORM UNDER SECRETARY OF PRESIDENT SUHARTO'S VIEWS
ON VICE PRESIDENT'S VISIT TO JAKARTA AND MATTERS FOLLOWING
FROM IT.

2. U.S. ROLE IN ASIA: AFTER SUMMARIZING SUHARTO'S REACTION
AS BEING VERY PLEASED WITH RESULTS" OF VICE PRESIDENT'S
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IMPORTANT". IT IS NOT THAT GOI FEELS NEED FOR PHYSICAL
PRESENCE OF U.S. TROOPS BUT U.S. ASSISTANCE HELPS EACH
ASEAN COUNTRY BE INDEPENDENT AND MAINTAIN STRENGTH AGAINST
BOTH EXTERNAL AND INTERNAL THREATS. ASHARI SPECIFICALLY
NOTED THREAT FROM "EXTREME MUSLIMS" IN INDONESIA,

PHILIPPINES, MALAYSIA AND SOUTHERN THAILAND, ALL OF WHOM HE SAID ARE TRYING TO OBTAIN ARMS FROM LIBYA.

3. FMS: ASHARI SAID SUHARTO IS COUNTING ON USG ASSISTANCE THROUGH FMS NOT ONLY FOR F-5'S BUT ALSO FOR A-4'S AND M-16 COPRODUCTION. ASSISTANCE NECESSARY BECAUSE ARMED FORCES HAVE BEEN NEGLECTED DURING TEN YEARS OF REPELITAS I AND II IN LIGHT PRIORITY ON ECONOMIC DEVELOPMENT. NOW IS TIME TO BUILD UP ARMED FORCES WITHOUT DELAY. IT ALSO NECESSARY TO SATISFY THE COMMON SOLDIERS.

4. M-16: UNDER SECRETARY NOTED THAT WE ARE STILL WAITING FOR THE GOI AND COLT TO REACH AGREEMENT ON A CONTRACT. DAS OAKLEY SAID THAT A VP OF COLT WHO VISITED JAKARTA BEFORE VICE PRESIDENT MONDALE'S TRIP HAS TOLD HIM THAT COLT AND THE GOI WERE STILL FAR APART ON CONTRACT TERMS. ASHARI STATED HE DID NOT THINK THIS WAS THE CASE AND THAT, WHILE GOI HAD BEEN CONSIDERING FOUR ALTERNATIVE SOURCES FOR RIFLE MANUFACTURE, HE HAD FIRM IMPRESSION FROM BOTH PRESIDENT SUHARTO AND MIN DEFENSE AND SECURITY JUSUF THAT THE GOI WOULD DECIDE ON THE M-16. THIS WOULD ALSO HAVE ADVANTAGE OF PROVIDING COMMONALITY WITHIN ASEAN. DAS OAKLEY NOTED THAT PROPOSAL HAD ORIGINALLY BEEN VIEWED AS COMMERCIAL TRANSACTION. UNDER SECRETARY STATED THAT WE LEAVE IT TO GOI TO DECIDE HOW TO USE AVAILABLE FMS CREDIT. HE NOTED THAT FY 79 ALLOCATIONS HAD BEEN MADE AND THERE
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LITTLE PROSPECT FOR CHANGE IN THAT. WITH REGARD POSSIBILITY OF INCREASING LEVEL OF FMS CREDITS, IT WOULD BE NECESSARY TO LOOK TO FUTURE YEARS AND WE HAVE NOT YET PREPARED FY 80 BUDGET PROPOSAL. HOWEVER, OVERALL FMS CREDIT TOTALS WORLDWIDE DECLINING AND THERE ARE OTHER PRIORITY CLAIMANTS.

5. PL-480 TITLE III: ASHARI SAID THAT BOTH PRESIDENT AND WIDJOJO ARE ENTHUSIASTIC ABOUT TITLE III. ASHARI NOTED THAT GOI PROCEDURES REQUIRE PROCEEDS OF TITLE I TO PASS THROUGH GOI BUDGET. IT IS NOT POSSIBLE TO HAVE A SYSTEM OPERATING OUTSIDE THE BUDGET. IF THIS CAN BE DONE FOR TITLE III, GOI WOULD LOOK FORWARD TO DISCUSSING PROSPECTS FOR A TITLE III PROGRAM. ASHARI SAID GOI HOPED THAT USG WOULD SEND A TECHNICAL TEAM TO JAKARTA. DAS OAKLEY SAID WE ARE WILLING TO. IN MEANTIME, WE HOPE TO DISCUSS SUBJECT WITH WIDJOJO IN AMSTERDAM. ASHARI STATED THAT JUNIOR MINISTER ARIFIN PLANNED VISIT WASHINGTON AFTER IGGI TO LEARN MORE ABOUT TITLE III. UNDER SECRETARY STATED WE WOULD BE HAPPY TO TALK WITH HIM.

6. ACCESS TO EAST TIMOR: ASHARI SAID VICE PRESIDENT

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HAVING HUMANITARIAN GROUPS ASSIST IN EAST TIMOR WAS "ALSO OKAY". UNDER SECRETARY SAID THAT DURING HIS TIME IN INDONESIA HE HAD ONCE DISCUSSED THE POSSIBILITY OF PL-480 TITLE II FOOD BEING USED IN EAST TIMOR WITH GENERAL MURDANI. CATHOLIC RELIEF SERVICE HAS HAD PROGRAMS OPERATING ELSEWHERE IN INDONESIA BUT THE PROBLEM OF THE REQUIRED PERIODIC CHECKS BY CRS AND AID FOR PURPOSES OF AUDITING HAD BEEN AN INHIBITING FACTOR WITH REGARD TO EAST TIMOR. CRS, HOWEVER, HAS THE RESOURCES AND COULD
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7. US-ASEAN DIALOGUE: ASHARI SAID THE GOI HAD AGREED TO SEND A MINISTER TO THE CONSULTATIONS IN WASHINGTON, WHICH HE SAID WOULD BE RADIUS PRAWIRO, AND ALSO AGREED TO THE PROPOSED DATES OF AUGUST 3-4.

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DRAFTED BY: EA:JBADER
APPROVED BY: EA:JBADER
S/S-O:KDSCOTT

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FM SECSTATE WASHDC
INFO AMEMBASSY SEOUL IMMEDIATE 0000

S E C R E T STATE 131543

EXDIS FOR ASST SECY HOLBROOKE AND GLEYSTEN ONLY

FOLLOWING REPEAT STATE 131543 ACTION JAKARTA 23 MAY:

QUOTE S E C R E T STATE 131543

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